

Indiana Economic Development Corporation

November 2, 2009

Julien Agnew
Director of License Control
Indiana Gaming Commission

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Dear Mr. Agnew:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis associated with LSA Document #09-676 proposed by the Indiana Gaming Commission ("IGC"). The proposed rule amends 68 IAC 21-1-13, 68 IAC 21-2-1, 68 IAC 21-2-2, 68 21-2-6, 68 IAC 21-4-1, and 68 IAC 21-6-1 and adds 68 IAC 21-1-5.5, 68 IAC 21-1-15.5, 68 IAC 21-1-19, and 68 IAC 21-3-4.1 concerning the conduct of charity gaming activities by qualified organizations, manufacturers, and distributors licensed by the IGC. The proposed rule also amends 68 IAC 21-2-5 regarding license denial, amends 68 IAC 21-2-7 regarding activities that may be conducted under a license, and amends 68 IAC 21-3-2 regarding conducting an allowable event. Lastly, the rule repeals 68 IAC 21-3-3.

The impact statement provided by the IGC indicates that the rule will affect limited groups of qualified organizations that conduct charitable gaming events. Indiana Code 4-32.2 specifies the types of organizations that may become qualified and therefore, may conduct charity gaming events. For the purpose of this analysis, the IGC has identified all currently licensed organizations as small businesses. The IGC's charity gaming database currently consists of 3,009 entities qualified to conduct gaming in the State of Indiana. Although it is unclear whether any or all of these entities should be classified as small businesses based on their not-for-profit status, the IGC has assumed that all entities are small businesses for the purposed of this impact statement.

The proposed rule makes the following changes which impose requirements or costs on small businesses:

- 1) Creates a twenty-five dollar (\$25) fee for amendments to licenses;
- 2) Establishes conditions for a refund of a charity gaming license fee;
- Requires an organization changing locations of its annual charity game night or annual bingo license to publish notice in the newspaper; and
- 4) Requires an organization to maintain a ledger in which the organization must collect identifying information about winners of prizes in winner take all drawings and qualified drawings.

Based on research conducted by the IGC and operating on the assumption that all affected entities are small businesses, IGC estimates that the total annual increase in costs which can currently be assessed, including administrative costs, to Indiana small businesses as a result of the proposed rule, will be approximately twenty four thousand ninety five dollars (\$24,095). As this calculation is based in part on assumptions,

including the assumption that all qualified organizations are small businesses, the actual impact on small businesses may be substantially less.

The IEDC does not object to the economic impact contained in the proposed rule changes. The IGC has determined that the provisions of the proposed rule are the most cost effective means of carrying out its statutory responsibilities. Since the IGC assumed all affected entities are small businesses, the actual cost to small businesses may be much less than IGC's estimate. Additionally, the proposed rule contains provisions which provide greater clarity for affected entities.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry

Assistant Vice President

Indiana Economic Development Corporation